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COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

COMPONENT UNIT FINANCIAL REPORT

DECEMBER 31, 2005 AND 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/13/06

COMMUNITY CENTER AND PLAYGROUND
DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH
Lake Charles, Louisiana

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COMMUNITY CENTER AND PLAYGROUND DISTRICT 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

December 31, 2005

COMMISSIONERS

D. Darbonne - Board Member
A. Guidry - Board Member
A. Theriot - Board Member
K. Smith - Board Member
W. Sweet - Board Member

McELROY, QUIRK & BURCH

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Gus W. Schram, III, CPA, CVA
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Robert M. Gani, CPA, MT
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Jason L. Guillory, CPA
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Billy D. Fisher, CPA
Joe G. Peshoff, II, CPA, CVA



Charles P. Quirk, CPA, Inactive
Otray J. Woods, Jr., CPA, Inactive
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William A. Mancuso, CPA, Retired
Barbara Hutson Gonzales, CPA, Retired
Judson J. McCann, Jr., CPA, Retired

CFE - Certified Fraud Examiner
MT - Masters of Taxation
CVA - Certified Valuation Analyst
CFP - Certified Financial Planner

REPORT OF INDEPENDENT AUDITORS

Board of Commissioners
Community Center and Playground District
No. 4 of Ward 1 of Calcasieu Parish
Calcasieu Parish Police Jury
Lake Charles, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the years ended December 31, 2005 and 2004, which comprises the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Community Center and Playground District No. 4 of Ward 1's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish as of December 31, 2005 and 2004, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2006 on our consideration of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish's internal control structure and a report dated June 15, 2006 on its compliance with laws and regulations.

Management's discussion and analysis and budgetary comparison information on pages 6 through 11 and 26 through 29 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ms Elroy Quirk & Burch

Lake Charles, Louisiana
June 15, 2006

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1 OF CALCASIEU PARISH

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Calcasieu Community Center and Playground District 4 of Ward 1 (District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2005.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's general fund.

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The District's net assets (the difference between assets and liabilities) is one way to measure the District's financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Since the District is not a complex entity, only the general fund is utilized. The District's governmental fund uses a certain account approach described below:

Governmental funds - All of District's basic services are reported in one general fund, which is classified as a governmental fund. The governmental fund focuses on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can readily be spent in the near future to finance the District's daily activities, as well as, capital projects to improve the District's facilities.

Calcasieu Community Center and Playground District No. 4 as a Whole

For the years ended December 31, 2005 and 2004, net assets changed as follows:

ASSETS	2005	2004
Current assets	\$ 1,218,160	\$ 712,463
Capital assets	<u>1,182,369</u>	<u>1,184,403</u>
Total assets	2,400,529	1,896,866
LIABILITIES		
Current liabilities	<u>110,527</u>	<u>62,839</u>
NET ASSETS		
Total net assets	\$ 2,290,002	\$ 1,834,027

The reason for the increase in net assets this year was due to an increase in ad valorem tax revenue from the prior year.

Governmental Activities

This section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences. To aid in the understanding of the statement of activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical statement of revenues, expenses and changes in fund balance. You will notice that expenses are listed in the first, specific revenues next, and general revenues listed last. The result is a net (expense)/revenue. It also identifies how much each function draws from the general revenues or it is self-financing through fees.

Some of the individual line item revenues reported for each function are:

Administration (general government) Ad valorem taxes, state and local revenue sharing used to fund daily activities

Recreation State, parish and city grants are used to fund recreational facility repairs and construction

	<u>Functions/Programs:</u>		<u>Total</u>		<u>Change</u>
	<u>Admin</u>	<u>Recreation</u>	<u>2005</u>	<u>2004</u>	<u>From 2004</u>
Expenses:					
Contracted services	\$ 26,550	\$ 7,330	\$ 33,880	\$ 30,821	\$ 3,059
Other expenses	<u>23,100</u>	<u>215,809</u>	<u>238,909</u>	<u>155,475</u>	<u>83,434</u>
Total expenses	49,650	223,139	272,789	186,296	86,493
Program revenues:					
Project funds from grants			202,955	44,003	158,952
General revenue			<u>525,809</u>	<u>436,442</u>	<u>89,367</u>
Total revenues			<u>728,764</u>	<u>480,445</u>	<u>248,319</u>
Change in net assets			\$ <u>455,975</u>	\$ <u>294,149</u>	\$ <u>161,826</u>

Calcasieu Community Center and Playground District No. 4

The following schedule presents a summary of the general fund revenues and expenditures for the years ended December 31, 2005 and 2004. Also presented on the schedules are the amounts and percentages of increase and decrease from amount from the year ended December 31, 2004.

	<u>2005</u>	<u>2004</u>	<u>Change From 2004</u>	<u>Variance</u>
Revenues:				
Ad valorem taxes	\$ 459,485	\$ 393,437	\$ 66,048	16.79%
State revenue sharing	21,267	21,267	-	- %
Project funds from grants	202,955	44,003	158,952	361.23%
Other income	45,057	21,738	23,319	107.27%
Total revenues	\$ 728,764	\$ 480,445	\$ 248,319	51.69%

- Project funds from grants increased due to FEMA reimbursement for repairs to facilities.
- The increase in other income was because the insurance reimbursements received increased approximately \$37,500 from the prior year.

	<u>2005</u>	<u>2004</u>	<u>Change From 2004</u>	<u>Variance</u>
Expenditures:				
Contracted services	\$ 33,880	\$ 30,821	\$ 3,059	9.93%
General maintenance and repair	23,651	16,457	7,194	43.71%
Utilities	23,907	29,159	(5,252)	-18.01%
Miscellaneous	113,892	33,263	80,629	242.40%
Intergovernmental service charges	16,697	13,955	2,742	19.65%
Capital outlay	58,728	139,449	(80,721)	-57.89%
Total expenditures	\$ 270,755	\$ 263,104	\$ 7,651	2.91%

- The increase in miscellaneous expenditures is due to costs to repair facilities as a result of Hurricane Rita.
- The decrease in capital outlay expenditures is due to the significant reduction in project funds from grants received during the current year.

SIGNIFICANT BUDGET VARIANCES

Over the course of the year, the District did not amend the general fund budget.

CAPITAL ASSETS

At the end of December 31, 2005, Calcasieu Community Center and Playground District 4 of Ward 1 had \$1,182,369 invested in capital assets. This includes land, land improvements, buildings, and equipment. The District does not have infrastructure assets to report. The chart listed below represents the breakdown:

	2005	2004
Land	\$ 329,852	\$ 329,852
Land-improvements	585,397	469,793
Buildings	778,612	778,612
Equipment	127,118	127,118
Construction in progress	-	56,875
	1,820,979	1,762,250
Less accumulated depreciation	638,610	577,847
Net capital assets	\$ 1,182,369	\$ 1,184,403

Capital assets increased this year due to the following:

- Land improvements made included ball field netting, playground shelter and new paving.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

Presently, the District receives ad valorem taxes at a rate of 15.05 mills that is levied on the yearly tax roll on all property subject to taxation and will continue at 15.05 mills for ten years.

The following is a list of the projected projects for the next ten years to be funded by the increase in the ad valorem tax:

- Build a new recreation building.
- Build a new open air pavilion for basketball.
- Pave new road and asphalt all parking area in the complex.

**CONTACTING CALCASIEU COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Calcasieu Community Center and Playground District 4 of Ward 1's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Calcasieu Community Center and Playground District 4 of Ward 1 at P.O. Box 12136, Lake Charles, LA 70612-2136.

Connie Thrasher
Bookkeeper
Calcasieu Community Center
and Playground District 4 of Ward 1

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
December 31, 2005 and 2004

<u>ASSETS</u>	2005	2004
CURRENT ASSETS		
Cash	\$ 555,880	\$ 308,164
Accounts receivable	<u>662,280</u>	<u>404,299</u>
Total current assets	1,218,160	712,463
NONCURRENT ASSETS		
Capital assets	<u>1,182,369</u>	<u>1,184,403</u>
Total assets	<u>2,400,529</u>	<u>1,896,866</u>
 <u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	107,902	53,150
Security deposits payable	2,625	2,600
Deferred revenue	<u>-</u>	<u>7,089</u>
Total current liabilities	110,527	62,839
 <u>NET ASSETS</u>		
EQUITY		
Invested in capital assets, net of related debt	1,182,369	1,184,403
Net assets - unrestricted	<u>1,107,633</u>	<u>649,624</u>
Total net assets	<u>\$ 2,290,002</u>	<u>\$ 1,834,027</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
Years Ended December 31, 2005 and 2004

	Functions/Programs:		Total	
	Administrative	Recreation	2005	2004
Expenses:				
Contracted services	\$ 26,550	\$ 7,330	\$ 33,880	\$ 30,821
Materials and supplies	190	15,754	15,944	17,256
Operating services	551	23,907	24,458	29,714
Other program expenses	21,720	116,024	137,744	45,864
Depreciation	639	60,124	60,763	62,641
Total expenses	49,650	223,139	272,789	186,296
Program revenues:				
Project funds from grants	-	202,955	202,955	44,003
Net program (income) expense			69,834	142,293
General revenues:				
Ad valorem taxes, net			459,485	393,437
State revenue sharing			21,267	21,267
Riverboat endowment			3,500	12,000
Interest income			3,931	2,352
Miscellaneous income			37,626	7,386
Total general revenues			525,809	436,442
Change in net assets			455,975	294,149
Net assets at beginning of year			1,834,027	1,539,878
Net assets at end of year			\$ 2,290,002	\$ 1,834,027

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

BALANCE SHEETS - GOVERNMENTAL FUNDS
December 31, 2005 and 2004

<u>ASSETS</u>	<u>General Fund</u>	
	<u>2005</u>	<u>2004</u>
Cash	\$ 555,880	\$ 308,164
Receivables (net of allowance for uncollectibles of \$19,984)	<u>662,280</u>	<u>404,299</u>
Total assets	<u>\$ 1,218,160</u>	<u>\$ 712,463</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 107,902	\$ 53,150
Security deposits payable	2,625	2,600
Deferred revenue	-	7,089
Total liabilities	<u>\$ 110,527</u>	<u>\$ 62,839</u>
 <u>FUND EQUITY</u>		
Fund balances:		
Unreserved-undesignated	\$ 1,107,633	\$ 649,624
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in the governmental activities are not financial resources, and therefore, are not reported in the funds, net of accumulated depreciation of \$1,182,369	<u>1,182,369</u>	<u>1,184,403</u>
Net assets of governmental activities	<u>\$ 2,290,002</u>	<u>\$ 1,834,027</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Years Ended December 31, 2005 and 2004

	General Fund	
	2005	2004
Revenues:		
Net ad valorem taxes	\$ 459,485	\$ 393,437
Intergovernmental revenues:		
Net state revenue sharing	21,267	21,267
Project funds from grants	202,955	44,003
Riverboat endowment	3,500	12,000
Interest	3,931	2,352
Miscellaneous	37,626	7,386
Total revenues	<u>728,764</u>	<u>480,445</u>
Expenditures:		
Culture and recreation:		
Contracted services	33,880	30,821
Auditing and legal	5,023	4,325
General maintenance and repair	23,651	16,457
Insurance	16,298	14,359
Office supplies and postage	190	799
Telephone	552	555
Utilities	23,907	29,159
Waste management	9,575	11,785
Intergovernmental service charges	16,697	13,955
Miscellaneous	82,254	1,440
Capital outlay	58,728	139,449
Total expenditures	<u>270,755</u>	<u>263,104</u>
Excess of revenues over expenditures	458,009	217,341
Fund balances at beginning of year	649,624	432,283
Fund balances at end of year	\$ 1,107,633	\$ 649,624

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA
GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Years Ended December 31, 2005 and 2004

	General Fund	
	2005	2004
Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:		
Net change in fund balances - total governmental funds	\$ 458,009	\$ 217,341
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	58,728	139,449
Depreciation expense	(60,762)	(62,641)
Change in net assets of governmental activities	\$ <u>455,975</u>	\$ <u>294,149</u>

The accompanying notes are an integral part of this statement.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2005

Note 1. Nature of Business

The Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish (District) was created by the Calcasieu Parish Police Jury, as authorized by Act 82 of 1948. The District is governed by a board of five commissioners who are appointed by the Calcasieu Parish Police Jury. The commissioners serve terms of six years, without compensation, with their terms expiring on a rotating basis. The District owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of youth of the community. The District serves approximately 10,000 people within its service area. The 38 acre recreational park operated by the District provides facilities for sports, meetings, and family gatherings. The District is operated by using contract labor.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The accompanying financial statements include the various activities that are within the control and authority of the Board of Commissioners of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially

accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the foregoing criteria, the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish is a component unit of the Calcasieu Parish Police Jury and has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish.

B. Change in Accounting Principles

The Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish adopted the provisions of GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34) and GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* (Statement 33) for the year ended December 31, 2003. Statement 34 establishes financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. This had an impact on capital assets, the presentation of net assets and the inclusion of management's discussion and analysis.

In addition, the Governmental Accounting Standards Board issued the following standards that are required to be implemented concurrently with GASB No. 34, as follows:

GASB Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*. This statement amends GASB Statement No. 34 to either (1) clarify certain provisions or (2) modify other provisions that the GASB believes may have unintended consequences in some circumstances. Accordingly, the District will need to consider the effects of this statement when adopting the provisions of GASB Statement No. 34.

GASB Statement No. 38 - *Certain Financial Statement Note Disclosures*. This statement modifies, establishes and rescinds certain financial statement disclosure requirements. Accordingly, certain footnote disclosures will need to be revised to conform to the provisions of GASB Statement No. 38.

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The Statement of Net Assets and the Statement of Activities report financial information for the District as a whole. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) state and local grants that are awarded to finance specific projects. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

FUND FINANCIAL STATEMENTS

The accounts of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the District. It accounts for all financial resources.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

In the fund financial statements, governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, the following practices are utilized in recording revenues and expenditures:

Revenues - The governmental fund type uses a current financial resources measurement focus and is accounted for using the modified accrual basis of accounting. The revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property taxes, intergovernmental, and interest revenue. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Budgets and Budgetary Accounting

Annually, the District adopts a revenue and expenditure budget for the general fund. A forecast of revenues and expenditures is made based upon the prior year's expenditures and taking into consideration additional expenditures which can be predetermined and estimated. All budgetary appropriations lapse at the end of each fiscal year.

The budget is adopted on a modified cash basis method of accounting. Budgetary comparisons presented in this report are on this non-GAAP budgetary basis. Budget amounts are as originally adopted, adjusted for subsequent amendments.

Encumbrance accounting is not used.

F. Cash

Cash includes amounts in demand deposit accounts and time deposit accounts.

G. Capital Assets and Depreciation

The accounting and reporting treatment applied to capital assets associated with a fund are determined by their measurement focus. General capital assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$300.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	15 to 40 years
Improvements, other than buildings	15 to 40 years
Furniture and fixtures	5 to 10 years
Machinery and equipment	5 to 15 years

H. Compensated Absences and Pension Plan

The District has no employees and, therefore, does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

I. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Levied Taxes

The following is a summary of the authorized and levied ad valorem taxes of the District:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General corporate purposes	15.05	15.05

Note 4. Cash

The District has cash (book balances) as follows:

	<u>2005</u>	<u>2004</u>
Interest bearing demand deposits	\$ 555,880	\$ 308,164

The Community Center and Playground District maintains demand deposits through local depository banks which are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. Government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality or school district.

Note 5. Receivables

Receivables at December 31, 2005 and 2004 included the following:

	General Fund	
	2005	2004
Accounts receivable	\$ 2,000	\$ 2,000
Ad valorem taxes	499,595	408,011
Grants receivable	143,220	-
Insurance receivable	37,449	-
Less allowance for uncollectibles	(19,984)	(5,712)
Total	<u>\$ 662,280</u>	<u>\$ 404,299</u>

Note 6. Capital Assets

Capital asset activity for the year ended December 31, 2005 and 2004, was as follows:

	Balance 1/1/05	Additions	Deletions	Balance 12/31/05
Governmental activities:				
Land	\$ 329,852	\$ -	\$ -	\$ 329,852
Land improvements	469,793	115,604	-	585,397
Buildings	778,612	-	-	778,612
Construction in progress	56,875	47,433	(104,304)	-
Equipment	127,118	-	-	127,118
Total at historical cost	<u>1,762,250</u>	<u>163,037</u>	<u>(104,304)</u>	<u>1,820,979</u>
Less accumulated depreciation:				
Land improvements	105,441	35,777	-	141,218
Buildings	384,494	15,117	-	399,611
Equipment	87,912	9,869	-	97,781
Total accumulated depreciation	<u>577,847</u>	<u>60,763</u>	<u>-</u>	<u>638,610</u>
Governmental activities capital assets, net	<u>\$ 1,184,403</u>	<u>\$ 102,274</u>	<u>\$ (104,304)</u>	<u>\$ 1,182,369</u>

	Balance 1/1/04	Additions	Deletions	Balance 12/31/04
Governmental activities:				
Land	\$ 329,852	\$ -	\$ -	\$ 329,852
Land improvements	410,458	59,335	-	469,793
Buildings	755,373	23,239	-	778,612
Construction in progress		56,875	-	56,875
Equipment	127,118	-	-	127,118
Total at historical cost	1,622,801	139,449	-	1,762,250
Less accumulated depreciation:				
Land improvements	74,121	31,320	-	105,441
Buildings	365,713	18,781	-	384,494
Equipment	75,372	12,540	-	87,912
Total accumulated depreciation	515,206	62,641	-	577,847
Governmental activities capital assets, net	\$ 1,107,595	\$ 76,808	\$ -	\$ 1,184,403

Note 7. Salaries for Board Members

There were no per diem or salary payments made to any board member during the years ended December 31, 2005 and 2004.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2005

Required supplementary information includes financial information and disclosures that are required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Budgetary comparison schedule - General Fund (Budgetary and Actual Basis)

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Years Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>With Final</u>
			<u>Basis</u>	<u>Budget</u>
Revenues:				
Ad valorem taxes, net	\$ 393,437	\$ 393,437	\$ 368,218	\$ (25,219)
Intergovernmental revenues:				
State revenue sharing	21,267	21,267	21,267	-
Project funds from grants	44,003	44,003	59,735	15,732
Riverboat endowment	12,000	12,000	3,500	(8,500)
Interest income	2,352	2,352	3,931	1,579
Miscellaneous income	7,386	7,386	177	(7,209)
Total revenues	<u>480,445</u>	<u>480,445</u>	<u>456,828</u>	<u>(23,617)</u>
Expenditures:				
Culture and recreation:				
Contracted services	30,000	30,000	33,478	(3,478)
Accounting and legal	54,000	54,000	423	53,577
General repairs and maintenance	10,000	10,000	23,282	(13,282)
Insurance expense	16,000	16,000	16,298	(298)
Office supplies and postage	300	300	190	110
Telephone	600	600	552	48
Utilities	31,000	31,000	23,907	7,093
Waste management	10,000	10,000	9,486	514
Miscellaneous expense	38,800	38,800	22,186	16,614
Capital outlay	45,500	45,500	94,752	(49,252)
Total expenditures	<u>236,200</u>	<u>236,200</u>	<u>224,554</u>	<u>11,646</u>
Excess of revenues over expenditures	244,245	244,245	232,274	(11,971)
Fund balance at beginning of year	<u>649,624</u>	<u>649,624</u>	<u>649,624</u>	<u>-</u>
Fund balance at end of year	\$ 893,869	\$ 893,869	\$ 881,898	\$ (11,971)

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Years Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>With Final</u>
			<u>Basis</u>	<u>Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues:				
Ad valorem taxes, net	\$ 390,045	\$ 390,045	\$ 363,300	\$ (26,745)
Intergovernmental revenues:				
State revenue sharing	14,178	14,178	21,267	7,089
Project funds from grants	212,336	44,000	44,003	3
Riverboat endowment	4,200	4,200	10,000	5,800
Interest income	515	515	2,352	1,837
Miscellaneous income	5,160	5,160	9,786	4,626
Total revenues	<u>626,434</u>	<u>458,098</u>	<u>450,708</u>	<u>(7,390)</u>
Expenditures:				
Culture and recreation:				
Contracted services	30,000	30,000	30,691	(691)
Accounting and legal	24,000	24,000	4,325	19,675
General repairs and maintenance	17,000	17,000	16,457	543
Insurance expense	14,000	14,250	14,359	(109)
Office supplies and postage	650	300	172	128
Telephone	600	600	555	45
Utilities	29,000	30,750	29,159	1,591
Waste management	8,000	10,000	10,994	(994)
Miscellaneous expense	2,000	2,000	1,440	560
Capital outlay	20,500	16,750	104,052	(87,302)
Total expenditures	<u>145,750</u>	<u>145,650</u>	<u>212,204</u>	<u>(66,554)</u>
Excess of revenues over expenditures	480,684	312,448	238,504	73,944
Fund balance at beginning of year	<u>432,283</u>	<u>432,283</u>	<u>432,283</u>	-
Fund balance at end of year	<u>\$ 912,967</u>	<u>\$ 744,731</u>	<u>\$ 670,787</u>	<u>\$ 73,944</u>

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA
GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Years Ended December 31, 2005 and 2004

	2005		2004	
	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual GAAP Basis	Actual GAAP Basis
Revenues:				
Ad valorem taxes, net	\$ 368,218	\$ 91,267	\$ 459,485	\$ 393,437
Intergovernmental revenues:				
State revenue sharing	21,267	-	21,267	21,267
Project funds from grants	59,735	143,220	202,955	44,003
Riverboat endowment	3,500	-	3,500	12,000
Interest income	3,931	-	3,931	2,352
Miscellaneous income	177	37,449	37,626	7,386
Total revenues	<u>456,828</u>	<u>271,936</u>	<u>728,764</u>	<u>480,445</u>
Expenditures:				
Culture and recreation:				
Contracted services	33,478	402	33,880	30,821
Accounting and legal	423	4,600	5,023	4,325
General repairs and maintenance	23,282	369	23,651	16,457
Insurance expense	16,298	-	16,298	14,359
Office supplies and postage	190	-	190	799
Telephone	552	-	552	555
Utilities	23,907	-	23,907	29,159
Waste management	9,486	89	9,575	11,785
Intergovernmental service charges	-	16,697	16,697	13,955
Miscellaneous expense	22,186	60,068	82,254	1,440
Capital outlay	94,752	(36,024)	58,728	139,449
Total expenditures	<u>224,554</u>	<u>46,201</u>	<u>270,755</u>	<u>263,104</u>
Excess of revenues over expenditures	232,274	225,735	458,009	217,341
Fund balance at beginning of year	649,624	-	649,624	432,283
Fund balance at end of year	\$ 881,898	\$ 225,735	\$ 1,107,633	\$ 649,624

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA
GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Years Ended December 31, 2004 and 2003

	2004		2003	
	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual GAAP Basis	Actual GAAP Basis
Revenues:				
Ad valorem taxes, net	\$ 363,300	\$ 30,137	\$ 393,437	\$ 390,045
Intergovernmental revenues:				
State revenue sharing	21,267	-	21,267	14,178
Project funds from grants	44,003	-	44,003	212,336
Riverboat endowment	10,000	2,000	12,000	4,200
Interest income	2,352	-	2,352	514
Miscellaneous income	9,786	(2,400)	7,386	5,160
Total revenues	450,708	29,737	480,445	626,433
Expenditures:				
Culture and recreation:				
Contracted services	30,691	130	30,821	29,283
Accounting and legal	4,325	-	4,325	4,640
General repairs and maintenance	16,457	-	16,457	28,827
Insurance expense	14,359	-	14,359	12,294
Office supplies and postage	172	627	799	1,178
Telephone	555	-	555	511
Utilities	29,159	-	29,159	23,162
Waste management	10,994	791	11,785	9,948
Intergovernmental service charges	-	13,955	13,955	13,844
Miscellaneous expense	1,440	-	1,440	417
Capital outlay	104,052	35,397	139,449	270,887
Total expenditures	212,204	50,900	263,104	394,991
Excess of revenues over expenditures	238,504	(21,163)	217,341	231,442
Fund balance at beginning of year	432,283	-	432,283	200,841
Fund balance at end of year	\$ 670,787	\$ (21,163)	\$ 649,624	\$ 432,283

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Community Center and Playground District
No. 4 of Ward 1 of Calcasieu Parish
Calcasieu Parish Police Jury
Lake Charles, Louisiana

We have audited the financial statements of the governmental activities of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2005, which comprise the District's basic financial statements and have issued our report thereon dated June 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted an immaterial instance of noncompliance that we have reported in the accompanying schedule as item 2005-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2005-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe that item 2005-02 of the reportable conditions described is a material weakness.

This report is intended solely for the information and use of the audit committee, management, and the legislative auditor and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Ms Elroy Quirk & Burch

Lake Charles, Louisiana
June 15, 2006

COMMUNITY CENTER AND PLAYGROUND DISTRICT
NO. 4 OF WARD 1 OF CALCASIEU PARISH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? ☒ Yes ☐ No

Reportable condition identified not considered
to be material weakness? ☐ Yes ☒ None
reported

Noncompliance material to financial statements
noted? ☐ Yes ☒ No

(continued on next page)

COMMUNITY CENTER AND PLAYGROUND DISTRICT
NO. 4 OF WARD 1 OF CALCASIEU PARISH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

Compliance Findings

We noted the following instance of immaterial noncompliance:

2005-1

Specific requirement:	Board members are required to attend 75% of all meetings annually or be subject to removal.
Condition:	Three board members did not comply with the requirement.
Effect:	Failure to attend board meetings may result in inadequate representation of the District.
Response:	Management agreed that a violation of the meeting requirement occurred and will continue to monitor meeting attendance.

2005-2

Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

COMMUNITY CENTER AND PLAYGROUND DISTRICT
NO. 4 OF WARD 1 OF CALCASIEU PARISH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005
(Continued)

Response:

Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve an adequate level of segregation of responsibilities. Management has implemented supervision and review procedures such as review and approval of supporting documents to expenditures and periodic review of bank reconciliations.

COMMUNITY CENTER AND PLAYGROUND DISTRICT
NO. 4 OF WARD 1 OF CALCASIEU PARISH

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2004

Compliance Findings

Expenditures did not exceed budgeted expenditures in the general fund by more than 5% and, accordingly, no current year finding is presented.

Board members failure to attend required meetings continues to exist. This matter has been discussed above at item 2005-1.

Internal Control Findings:

Reportable condition relating to inadequate segregation of duties continues to exist during the year 2005. This matter has been discussed above at item 2005-02.